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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that a federal grand jury indicted Roy F. Overton, Jr., age 71, of Williamsburg, Virginia. The indictment charges Overton with money laundering, false declaration before a grand jury, obstruction of justice and removal of assets to prevent seizure. The indictment also includes a criminal forfeiture count.

This is an ongoing investigation into an international Ponzi scheme. Howard Welsh and Lee Hope Thrasher are charged with conspiracy to launder over \$30 million from hundreds of investors/victims.

Since August 2, 2002, the United States has sought and received authority to execute several search and seizure warrants. The seizure warrants resulted in the seizure of \$975,962.15 from RAE Enterprises at a First Virginia Bank of Hampton Roads, Williamsburg, Virginia. The account was under the control of Roy F. Overton, Jr. The money had been transferred by Howard Welsh to that account. Welsh, Thrasher, and Overton are currently fugitives wanted on federal charges.

After seizure, the FBI started administrative forfeiture proceedings. On December 20, 2002, \$975,962.15, previously seized from the RAE Enterprises account, was administratively forfeited to the United States Government.

The seizure warrants also resulted in the seizure of \$120,170.30 from an account under Welsh's control at the U.S. Bank National Association, U.S. Bancorp Center, Minneapolis, Minnesota. Welsh filed a claim on the \$120,170.30. The matter was referred to the United States Attorney on June 19, 2003, and a civil action on the \$120,170.30 was filed.

On April 27, 2004, the Honorable United States District Court Judge Jerome B. Friedman granted the motion of the United States for summary judgment and default judgement on the \$120,170.30.

The investigation has shown Welsh transferred approximately \$2.5 million to Overton. The investigation of Overton revealed that he made off-shore wire transfers of over \$1 million to HMS Financial in Canada and \$500,000.00 to Jon James B. Monk in Switzerland. It is alleged that HMS Financial and Monk transferred a portion of these funds back to Overton.

From February 21, 2003, to December 2003, Overton received wire transfers to the Bank of America in Virginia Beach, Virginia, totaling approximately \$2 million from two Canadian lawyers, one of which has had ties to a member of HMS Financial. Monk also transferred money from a UBS Bank Account in Switzerland to bank accounts established by Overton and his wife in California.

Instead of turning the money over to law enforcement, Overton purchased a home in Williamsburg, Virginia, for \$768,757.46 in cash and purchased three vehicles. From February 2003 to September 2003, Overton conducted five or more monetary transactions in excess of \$10,000 from funds deposited into a Bank of America Account. Overton, despite knowing the money was unlawful proceeds of a crime, kept the money and used it for personal purposes, and thereby used criminally derived proceeds (the money from Welsh) to conduct illegal money transactions.

Overton invested Welsh's money in an investment scheme in Canada. HMS Financial of Canada is under a cease and desist order in at least one province in Canada.

On May 26, 2004, agents of the Federal Bureau of Investigation and Criminal Investigative Division of the Internal Revenue Service executed a search warrant at Overton's residence. Three vehicles and the contents of a bank account at Bank of America were seized and a lis pendens was filed on Overton's home in Williamsburg, Virginia.

Senior Litigation Counsel Robert J. Seidel, Jr, is prosecuting the criminal case and Assistant United States Attorney Kevin M. Comstock is handling the asset forfeiture components of the case for the United States.

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(It should be noted that a defendant is considered innocent until proven guilty.)